

## Message Text

SECRET

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15

ACTION NEA-12

INFO OCT-01 EUR-25 ISO-00 PM-07 NSC-10 SPC-03 SS-20 RSC-01

CIAE-00 INR-10 NSAE-00 DODE-00 EB-11 COME-00 DRC-01

/101 W

----- 061597

R 240748Z OCT 73

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5287

INFO AMEMBASSY LONDON

AMCONSUL DHAHRAN

AMEMBASSY BEIRUT

AMEMBASSY KUWAIT

S E C R E T JIDDA 4685

E.O. 11652: GDS

TAGS: MASS, SA

SUBJ: VISIT TO SAUDI ARABIA BY RAYTHEON V.P.

SUMMARY: RAYTHEON V.P. PHELAN HAD PLANNED TO PRESENT LETTERS FROM COMPANY CHIEFS TO KING AND PRINCE SULTAN AFFIRMING IN GENERAL TERMS RAYTHEON'S SYMPATHY WITH SAUDIS' POSITION. AMBASSADOR POINTED OUT THAT SUCH LETTERS WOULD PROBABLY MOVE SAG TO ASK WHAT WAS RAYTEHON DOING IN U.S. TO PROMOTE BETTER UNDERSTANDING OF SAUDI OBJECTIVES. PHELAN BELIEVED SUCH REQUEST COULD CONFRONT RAYTHEON MANAGEMENT WITH AWKWARD PROBLEMS; ACCORDINGLY HE WILL PROBABLY NOT PRESENT LETTERS AND WILL MERELY STATE RAYTHEON LOOKS FORWARD TO CONTINUING TO RESPOND AS BEST IT CAN TO SAUDI DEFENSE NEEDS. RAYTHEON CASE APPLICABLE PERHAPS TO OTHER U.S. CON-TRACTORS. END SUMMARY.

1. RAYTEHON V.P. PHIL PHELAN, ACCOMPANIED BY REGIONAL MANAGER GLEN BRUBBS AND GENERAL MANAGER SAUDI ARABIA NORMAN GEIS, CALLED ON AMBASSADOR OCT 23. PHELAN SAID THAT IN VIEW OF RAYTHEON'S INTEREST IN SAUDI ARABIA AND UNSETTLED SITUATION IN MIDDLE EAST, RAYTEHON CORP. HAD THOUGHT IT WOULD BE USEFUL IF HE WERE TO EXPRESS IN GENERAL TERMS TO THE SAG RAYTHEON'S SUPPORT FOR SAG

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POSITION. PHELAN HAD BROUGHT WITH HIM LETTER TO THIS EFFECT FOR

KING FROM CHAIRMAN OF BOARD ADAMS AND FOR PRINCE SULTAN FROM COMPANY PRESIDENT PHILLIPS. RAYTHEON REPS ADDED THAT ANOTHER REASON FOR PREPARING SUCH LETTERS WAS THAT THEY HAD HEARD OTHER U.S. COMPANIES IN SAUDI ARABIA HAD DONE SAME, AND RAYTHEON DID NOT WANT TO BE LAST. THEY HOPED AND ASSUMED, OF COURSE, THAT THE SAG WOULD KEEP THESE LETTERS CONFIDENTIAL.

2. AMBASSADOR REPLIED THAT WE HAD NO DEFINITE INFORMATION THAT OTHER COMPANIES HAVE IN SOME WRITTEN FASHION EXPRESSED THEIR SOLIDARITY WITH SAG'S STAND IN MIDDLE EAST CONFLICT. WITH REGARD TO RAYTHEON'S LETTERS, MOREOVER, HE ADVISED PHELAN THAT WHILE SAUDIS MIGHT BE PLEASED WITH LETTERS, THEY PROBABLY WOULD NOT LET MATTER REST THERE. SAUDIS ARE BECOMING MORE SOPHISTICATED ABOUT FORCES THAT SHAPE U.S. PUBLIC OPINION AND WOULD PROBABLY REPLY, "THIS FINE, BUT WHAT ARE YOU PREPARED TO DO FOR US WHERE IT COUNTS, NAMELY BACK IN U.S.?" AMBASSADOR CITED SAUDI REACTION TO RECENT CONTINENTAL OIL, SOCAL AND TEXACO LETTERS ON U.S. INTERESTS IN ARAB WORLD AS SIGN OF INCREASED AWARENESS OF SAG POLICY MAKERS OF IMPORTANCE OF U.S. BUSINESS SUPPORT. FURTHERMORE, RAYTHEON SHOULD CERTAINLY NOT CONCLUDE THAT THE SAUDIS WOULD NOT RELEASE THEIR LETTERS.

3. PHELAN ADMITTED THAT RELEASE OF LETTERS OR SAUDI REQUEST FOR ACTION AT HOME COULD CAUSE COMPANY PROBLEMS WITH ITS JEWISH STOCKHOLDERS. HE AND GEIS WONDERED THEREFORE IF IT WOULD BE BEST NOT TO PRESENT LETTERS TO KING OR SULTAN. INSTEAD, PHELAN DECIDED IT MIGHT BE BETTER TO TELL SULTAN (WHOM HE EXPECTS TO SEE OCT 24) THAT HE HAS COME TO SAUDI ARABIA TO CONVEY TO HRH PERSONAL ASSURANCES FROM TOP LEVELS OF RAYTHEON THAT THEY VALUE THE RELATIONSHIPS WITH SAUDI ARABIA AND ARE FULLY PREPARED TO CONTINUE PROVIDING DEFENSE SERVICES SAG REQUIRES.

4. AMBASSADOR REPLIED THAT HE COULD NOT ORDER RAYTHEON WHAT TO SAY OR NOT TO SAY, BUT SUCH AN APPROACH SEEMED TO HIM FAR LESS LIKELY TO STIMULATE SOME POSSIBLY AWKWARD SAUDI DEMAND FOR FOLLOW-UP ACTION BY COMPANY. RAYTHEON WILL LET EMBASSY KNOW HOW MEETING WENT.

5. ACTION REQUESTED: FOR THE TIME BEING (I.E., THE NEXT TWO WEEKS), AND FOR REASONS GIVEN ABOVE, EMBASSY SUGGEST THAT TOP SECRET

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OFFICIALS OF COMPANIES HAVING CONSIDERABLE ACTUAL OR POTENTIAL ECONOMIC STAKES IN SAUDI ARABIA BE ADVISED BY DEPARTMENT TO FOREGO TRIPS TO THE KINGDOM UNLESS THEY ARE REQUESTED BY SAUDIS TO COME.  
AKINS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AEROSPACE INDUSTRY, FOREIGN MARKETS, VISITS, FOREIGN POLICY POSITION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Subject:** VISIT TO SAUDI ARABIA BY RAYTHEON V.P. SUMMARY: RAYTHEON V.P. PHELAN HAD PLANNED TO PRESENT LETTERS FROM  
**TAGS:** MASS, SA, US, RAYTHEON CO, (PHELAN, PHIL)  
**To:** STATE  
**Type:** TE  
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